

# Procurement Strategy

**Purpose:** Demonstrate and document how the project team will manage risk and achieve best value through the procurement process in delivering the project objectives.

**Project Title:** Oxford Flood Alleviation Scheme

**Project Number:** IMSE500177

**Gateway:** 0/1

**Version and issue date:** V13 9 April 2015

**Project Contacts:**

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Procurement: Kerrie Pitson (OCL)  
Scott Lawrance (Procurement Manager)

**Section 1. Background of the project (as a whole, including objectives):**

History of Flooding

The Thames and its tributaries at Oxford has a long history of flooding, with more than 4,500 homes (over 6000 with climate change) and businesses in the 1 in 100 year 'do nothing' floodplain (i.e. with a 1% or greater risk of flooding in any one year). The Environment Agency's current maintenance work reduces this risk to the majority of properties but 1800 are still at risk in the 1:100 year floodplain.

In early 2014 at least 44 properties and road and rail infrastructure were flooded along this section of the River Thames. The key areas affected are New Botley, Osney, New Osney, Grandpont, North Hinksey and New Hinksey. There is also flood risk associated with outlying areas such as Wolvercote, South Hinksey and Kennington. Floods in the study area are lengthy and typically last between 7 to 9 days. The presence of a gravel aquifer, and the high surface water and groundwater connectivity, leads to a risk of groundwater flooding, particularly in the areas of Osney, Grandpont and New Hinksey.

Traffic disruption is a significant problem during flood events, especially on two of the main arterial routes into the city centre and the railway line which forms a key part of the freight network. The city of Oxford is an important employment centre, internationally renowned seat of learning and a popular tourist destination. Disruption to major infrastructure severely impacts Oxford's ability to function during flooding, with significant effects on the local economy.

Work done to-date

Since 2002 the Environment Agency has commissioned a number of studies with regard to addressing the flooding in the Oxford area. The Oxford Flood Risk Management Strategy (StAR) sets out the preferred approach for managing the risk of flooding in Oxford and surrounding villages in the future. Following a public consultation, the Oxford StAR was approved by the EA Board in September 2010. Due to the increased risk of flooding in the future due to climate change, the Oxford StAR preferred option was split into immediate, medium and longer term preferred options, with it being noted that the StAR should be regularly reviewed:

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**Preferred Short-Term Option (years 0-9) - Do Minimum Sustain & Additional Measures:**

The maintenance of existing flood defence assets until failure and their subsequent replacement. Additional measures, including 'Short Term Measures' Phases 1 and 2 (now completed).

**Preferred Medium-Term Option (years 10-70) - Western Conveyance Channel & Additional Measures:**

Increasing the flow conveyance to the west and south west of Oxford by constructing new sections of channel and/or enlarging existing channels between Botley Road and just downstream of Sandford Lock. This was not economically viable at the time of the Strategy.

**Preferred Long-Term Option (years 70-90):**

**Western Conveyance Channel, Upstream Storage & Additional Measures:**

The implementation of a flood storage area (with permanent downstream embankment and control structure) in combination with the additional measures and conveyance channel options described in the preferred short and medium term options above. This was not economically viable at the time of the Strategy)

It is 5 years since the Oxford StAR was drafted and in 2013 a review was initiated which focused on reviewing the benefits and costs associated with the preferred medium term option noted above via a project called the 'Western Conveyance Channel Review'. This work updated cost assumptions and benefits of this option, to take account of updated climate change guidance, and a new model of the Oxford floodplain (a Tuflow model of the existing flood plain, including revised hydrology, completed by Mott Macdonald in January 2014 and approved by the EA for use in the Flood Map) The findings from the Initial Assessment were that the baseline case for the Western Conveyance medium size channel has improved, making it a viable option. A number of smaller local options put forward by the Oxford Flood Alliance (OFA) were also investigated, however the other short-listed Strategy options were not revisited at this point.

As a result of the recent flooding in early 2014, there is a strong local demand for a scheme to be delivered as soon as possible. Consequently the Oxford project was set up, to pick up where the Initial Assessment left off, to reinforce the business case by reviewing the other options from the Strategy to ensure consistency. There has also been a strong (and successful) drive to secure funding being led by the EA and Oxfordshire County Council, as well as the Local Enterprise Partnership (who have won a bid for approximately £25m from Central Government toward the scheme), working in partnership to deliver the Scheme. The EA is currently acting as the lead authority for the Oxford Flood Alleviation Scheme.

The Sponsoring Group (with representatives from each of the four local authorities affected, the Thames RFCC, other private partners and EA senior management) has developed a vision statement to inspire the development of the Scheme to include wider benefits such as tourism, wildlife habitat creation, recreation and sport and take opportunities that will encourage additional investment in the Scheme. Flood alleviation investment in Oxford and the surrounding area will be a catalyst for other inward investment in these communities that will deliver wider, multiple benefits, such as environmental improvements, economic growth, job protection and creation, infrastructure improvements and social/health benefits. It will draw in funding from other sources and the private sector in respect of these wider benefits and the partnership funding for the flood alleviation. The scope of the Scheme may therefore evolve as the funding strategy identifies mechanisms to attract the additional funding that is required.

Due to the size and complexity of the project, which would have a whole-life cost over £100m, the project will require HM Treasury sign-off, and this creates additional procurement constraints. Due to the magnitude of capital work required for the flood channel, and the need to identify high levels of partnership funding, it is likely that it would take 2 years to complete the appraisal and outline design for submission of the Outline Business case.

It has been necessary to commence the development of one element of the project prior to securing all the necessary project approvals. Network Rail have an accelerated programme for raising their tracks at Redbridge, and to enable co-operation between this piece of work and the Oxford FAS, we have been working with them to

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identify if there are modifications to their designs that would allow for the successful implementation of our scheme at a later stage.

This Procurement Strategy has been divided into the following three stages:

Stage 1: Initial Assessment work up to Form A / OGC Gateway 1 - Strategic Outline Case (SOC)

Stage 2: Appraisal to PAR/OGC Gateway 2 - OBC

Stage 3: Detailed Design and Construction/OGC Gateway 3

**Section 2. Outputs (project / individual contract products) required:**

### **STAGE 1: INITIAL ASSESSMENT WORK UP TO FORM A / OGC GATEWAY 1 - STRATEGIC OUTLINE CASE (SOC)**

The first stage of the project is underway and is an extended Initial Assessment, required to secure a large (£ multi-million) Form A and OGC Gateway 1, the Strategic Outline Case (SOC). This originally focused on a high level review of the current leading option from the strategy to determine if the assumptions and the cost reductions were correct, but has since been extended to cover other strategy options.

This review has assisted in determining the 'preferred way forward' (as per OGC guidance) as a conveyance channel option. The 'preferred way forward' is subject to change through the appraisal process, but a greater degree of certainty was needed in the viability of a large 'do something' option in order for the project to progress, including a commercial check on the previous financial assumptions about the leading option, and associated review of GI information. A Cost Report has been completed that indicates an increase in estimated costs of £20m (17.78%) from those stated in the Western Conveyance Channel Review, partly resulting from an increase in material disposal costs due to the Ground Investigation review.

The work has fed into the production of an initial 'light' Form A, submitted to PAB and approved in August 2014 for £902k to deliver the early phase of work developing the SOC and large Form A to LPRG for the appraisal. It has also allowed the Environment Agency to provide accurate information to funding partners regarding the scale of partnership funding likely to be required of them, and engage stakeholders to gain their buy-in to project objectives and critical success factors.

A project plan and detailed programme is being developed to ensure that all the various gateways for LPRG and HM Treasury are accounted for, and this forms part of an Integrated Approvals and Assurance Plan (IAAP) that is required as part of the SOC.

The SOC has been developed, a 'five case model' business case as per OGC guidance, which covers the strategic fit, economic justification, commercial, financial and management cases, along with the IAAP. The SOC was recommended for approval by LPRG and has been updated following internal review by EA directors and an informal review by Defra. The updated version has been sent back to EA Directors ready for review by the FCRM Board Sub Group in April, following which it will be formally submitted to Defra/HMT.

The Form A (value of £4.164M) which will gain FSoD for the work required to complete the Outline Business Case (OBC) was taken to LPRG for the meeting on the 15th of March. A revised version of the document has now been submitted to LPRG following this meeting and is awaiting final sign off.

A Development Services Agreement has been drawn up with Network Rail in order to complete a piece of appraisal work through them and their contractors / consultants. Using information from a briefing note supplied by Black & Veatch and based on a scope of works provided by the Environment Agency, this will be a feasibility study to assess what additional capacity could be achieved within the Coldharbour area. It will also assess whether it could be carried out within Network Rail's construction window and overall programme. This is to be completed by the end of April.

Other outputs required at this stage are:

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- Funding Strategy;**STAGE 2: APPRAISAL AND OUTLINE DESIGN TO PAR/OGC GATEWAY 2 - OUTLINE**

### **BUSINESS CASE (OBC)**

The next stage of the project will be (subject to approval of the preceding stages) a detailed piece of appraisal work, investigating options. These are currently expected to be variations of a flood channel. This will be followed by development of an outline design, with supporting information necessary for submission to LPRG as a technical PAR, and HM Treasury for approval of the Outline Business Case. The timescale for this is considered to be 18 to 24 months.

The outputs of this appraisal will include:

- Master plans developed by an integrated design team clearly identifying and illustrating where possible, all key constraints and opportunities regarding the route and sizing of the channel, based on existing information;
- Full Environmental Impact Assessment, integrated from an early stage in the option development process;
- Detailed baseline hydraulic model suitable for project appraisal, utilising the recently developed Oxford Floodmap model, and recent work by Network Rail (there is also an aspiration for a physical model);
- Model runs to establish a range of viable routes, characters and sizings of channel within pre-defined constraints, which can deliver the scale of benefits foreseen in the Strategy and subsequent work;
- Feasibility and costing of options, including all necessary ground investigation and other survey work;
- Consultation and interpretative material to assist the Environment Agency in discussions and negotiations with stakeholders;
- Economic Appraisal of feasible options, taking a robust approach to assessment of all the benefits (not just flood benefits) using market and non-market values;
- Production of an options report to allow informed selection by the Sponsors' group;
- Development of detailed costs and plans of the preferred option;
- Materials required to gain consents needed including approval in principle from the statutory consultees (risk for this would be with the Consultant);
- All reports needed to support the Outline Business Case/technical PAR documents for submission to LPRG and HMT.

### **STAGE 3: DETAILED DESIGN AND CONSTRUCTION**

Following approval of the business case and outline design, stage 3 may combine detailed design of the preferred option with its delivery under a Design and Build contract to ensure construction issues are all taken account of in the drawing up of the Works Information. This would also allow the Contractor to plan and phase the works in the most efficient and timely way (and may involve designing and building the preferred option in phases).

HMT Gateway 3 is a key point at which the large sums needed for construction will be approved based on the detailed designs developed. Therefore it is still unclear whether a D&B delivery model will be acceptable and is subject to further discussions with Defra and HMT. If not, a fourth stage will be required in this Procurement Strategy to take account of the additional round of procurement necessary to let the construction contract separately.

The channel works are currently planned to be delivered post 2017/18. Since the construction works are likely to extend beyond the end date of the WEM framework, a separate OJEU tender may be required. At this stage it is too early to determine the best procurement route.

Outputs required:

- Detailed engineering and landscape design drawings;
- Formal Planning and other consents gained;
- Detailed costings and updated business case;
- Detailed report and business case for submission to HMT;
- Construction drawing package;

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- Construction phase documentation including H&S Plan, Traffic Management Plan, Site Waste Management Plan etc;
- Safe, timely and affordable delivery of the project, securing all project deliverables.

### **Section 3. Risk assessment and management plan (assessment of key risks that need to be managed through this procurement process)**

#### **STRATEGIC OUTLINE CASE (SOC)**

Proceeding to the appraisal is dependent upon approval of the Strategic Outline Case (SOC). No contract can be awarded until we have this approval. In order to meet project timescales, it is necessary to start the procurement process before the approval is given. This is likely to run alongside the tender period. Note that following final confirmation of the assurance and approval route of the SOC both EA Directors and Defra have confirmed that the WEM lot3 contract can be awarded on sign-off of the Form A subject to a suitable break clause being included.

#### **OUTCOME FOCUSED SCOPE**

On the WEM framework, outcome focused scopes are used to drive the Environment Agency project team and supplier team to focus on results, not process. They are also thought to obtain commercial buy in from the supplier to share in the risk of their approach and thereby drive them to seek efficient ways of achieving the results for maximum benefit.

The risk of the outcome focused scope is that in not prescribing the Consultant's approach or method, the outputs may fail to meet the expectations of the Environment Agency, our partners and other consultees /stakeholders. Since this way of briefing consultants is relatively new to the organisation, the challenge is to word the scope document to ensure all the required evidence is gathered and appropriately presented by people suitably qualified to do so. For this reason, the project team have asked key internal staff for review and comments on the scope document before issuing.

Partner organisations may also have a regulatory role (e.g. planning authorities). We need to ensure that outcome based scope is not compromised by unnecessary changes and that all appropriate stakeholders have timely inputs into the scope. The Sponsors' group must be advised of the potential consequences of scope changes during the OBC / technical PAR phase. The Environment Agency will own the risk for change of scope that results if a public enquiry is required.

#### **INTEGRATED TEAM APPROACH**

The project team must ensure the integration of landscape and environmental considerations into the preferred option. This is to enable the delivery of a multi-functional public amenity rather than just a flood channel, and the approval of the project by the planning authority. Demonstrating an integrated approach to engineering, materials management, landscape and environmental issues within the project appraisal, will be an important criterion in evaluating the WEM bids.

The Environment Agency, together with the project partners, will have a key role in negotiating with and influencing stakeholders. Estates will manage land issues in-house, and the Communications lead will manage external engagement, with support from the project team. There is a risk here that, being removed from the supplier's integrated team, these issues will not be adequately addressed through the appraisal. This is an Environment Agency owned risk that will need to be managed through regular progress meetings and strong lines of communication built up between the Communications and Estates leads and the supplier. The supplier will ultimately hold the risk of not securing statutory consents, to ensure that they undertake the necessary liaison in a professional and efficient manner.

Collaborative agreements are being secured at present by the Environment Agency's project team, and will determine the nature of the relationships with our partners for the next several years.

## DATA

There is a large amount of information from the Oxford FAS and other studies for suppliers to digest in a relatively short period. The data (specifically the new Oxford hydraulic model) will be made available to suppliers on Asite in advance of the tender process for the appraisal. During the tender process further data to assist in this process, including background reports, studies, maps, models etc. will also be made available.

Within the Scope the key elements of data are listed and risk allocated to either the Environment Agency or supplier with regard to the quality or quantity of data. As a rule of thumb, the Environment Agency are taking the risk of the quality of existing data and the supplier is taking the risk of procuring additional data to deliver the project appraisal (outcomes), in line with their proposed methodology where data gaps exist.

There is a risk to both delivery and quality of the project appraisal if the supplier does not have access to existing data or provision of the data is delayed. Suppliers will be instructed to identify information gaps at an early stage to make early data requests and present options, should data be unavailable or of poor quality.

## NETWORK RAIL

Network Rail are planning to carry out track improvement works here in 2016 and there is a possibility of working with them, however this would impose further programme constraints that may require us to use Network Rail's consultant, URS to undertake a small amount of appraisal work on our behalf. How this will interact with the wider appraisal is still unclear. At present all design work relating to Network Rail's track-raising project is being carried out by URS, who need to work to their specification. With URS's connection to Capita, caution must be taken ('Chinese walls') to ensure no bias of the tender for the wider appraisal. We are currently liaising with them in regards to where their works could be modified to secure a route for the preferred option and are using Network Rail's contractor to provide feasibility information to help with decision making.

## Top 10 Project Risks

### FUNDING

The Scheme is dependent upon obtaining significant contributions from third party funding. The appraisal stage funding is already secured from external parties including the Local Enterprise Partnership funding (£1m already earmarked for 2015/16 and £26m secured for the project overall), however the full amount to take the project through construction still needs to be sought. It is important to have flexibility and security in funding to allow a construction programme to be structured that delivers best value and greatest efficiency. The Environment Agency is developing the Funding Strategy with its partners at Oxfordshire County Council, so is an *employer* owned risk.

### APPROVALS

Due to the value of the work the project must take an unfamiliar approvals route via HM Treasury. Early discussions have been held with LPRG and Defra to establish timescales, and specific lessons have been highlighted from the River Thames Scheme by Scott Lawrance, who is advising on both projects. This is an *employer* owned risk.

### DOWNSTREAM IMPACTS

The appraisal is likely to be heavily scrutinised in regard to the potential downstream effects of improved flood flow conveyance through Oxford. For this reason it is critical that the hydraulic models developed by the Consultant for design are fit for the purpose of demonstrating no increase in flood risk to homes and businesses downstream of the scheme. The designs must allow for mitigation measures, if necessary. Risk is with the *consultant*.

### MATERIALS MANAGEMENT

The use, disposal, movement and possible commercial sale of the excavated materials produced from the construction of the preferred option, is a major risk/opportunity for this Scheme. The supplier will need to come up with practical and useable solutions in the appraisal that make maximum use of the opportunities to reduce

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project cost and manage the key risks. This is specifically included in the appraisal scope and Project Proposal Questionnaire. Risk is with the *consultant*.

### **LAND AND STAKEHOLDER ISSUES**

The ability to co-ordinate and communicate with stakeholders is a key part of the project. There are relatively few land-owners along the probable route of the flood alleviation scheme, however there are complex issues, such as ancient grazing rights on Oxford Meadows. The eventual ownership and maintenance responsibility for the channel is still to be agreed. This issue is to be managed by the *employer* in collaboration with the Sponsors Group and stakeholders, but will require consultation material to be prepared by the *consultant*.

### **REDBRIDGE CONSTRAINTS**

The central portion of the proposed channel runs through a very constrained and complex area containing significant development including the Redbridge Park and Ride. There is also a main road and rail infrastructure, archaeology, landfill, and locally prized open spaces to be managed in selecting a feasible route for the flood alleviation scheme. Part of this issue is already being considered due to the above work with Network Rail. The risk will lie primarily with the *consultant*, but the *employer* will need to appropriately manage the interaction with the ESE contractor, whose input is likely to be significant.

### **ARCHAEOLOGY AND HERITAGE**

The area through which the channel would run contains several areas of archaeological significance. The Old Abingdon Road (which runs east to west) is a key constraint as it is built on the site of a Norman causeway and is partly designated as a Scheduled Ancient Monument (SAM). It has a limited capacity to convey flows from north to south and it is therefore likely that SAM consent will be required from English Heritage to excavate here to allow greater flows through. There are also a number of 'protected views' of the city to consider. Early discussions have already been held with English Heritage to establish the conditions needing to be met to secure permission. The *consultant* will take the risk for this and liaison with English Heritage through appraisal.

### **GROUNDWATER**

The area contains highly permeable sand and gravels, therefore groundwater is a key consideration. The channel could reduce groundwater levels that are important for the delicate ecological balance of Port Meadow SAC and Iffley Meadows SSSI. Some areas are affected by groundwater flooding as well as fluvial and this may undermine the benefits of reduced fluvial flood risk. Thames Water have an interest in improving the situation for their sewer system, and the level to which groundwater issues need to be addressed through the project will depend partly on the partnership relations with them. The project team have discussed the groundwater issues with the internal Groundwater team, and have received their input to the scope. Risk for partner relations with Thames Water lie with the *employer*. This will be a *consultant* design risk.

### **LANDFILL PITS**

Disused landfill sites to the north and south of Old Abingdon Road have locally raised the floodplain and any excavation on these sites may disturb contaminated land. Excavating a channel through the pits has many associated risks and cost implications, relating to containment and/or disposal of potentially hazardous waste. This is a *consultant* design risk.

### **FLOODING:**

Flood risk will form a significant constraint on the timing of these works, both for construction and earlier, during Ground Investigation and survey work. The team will need to consider appropriate methods for mitigating flood risk in the formulation of the programme for site survey and construction work. This will be a shared risk, with the advice of the CDM-C integral to decision-making.

A more detailed risk assessment will be completed during the project appraisal when the project is more defined.

## 4. Procurement Approach

### Overall Philosophy

We aim to deliver this work in the most efficient manner and our approach will be aimed at maximising efficiency through learning lessons, specifically from the River Thames scheme, other large scale earthworks projects, TEP1 and private sector projects.

The overall approach to the appraisal of this project will be under the Environment Agency Water & Environment Management Framework (WEM). We will aim to incorporate as much of the appraisal work as possible under a single contract. The approach to delivery is to be agreed at the next stage.

A staged procurement process is required to give the flexibility needed on the project. This is a result of a staged approvals process through HMT (the understanding of which is still being developed in an Integrated Approvals and Assurance Plan).

For consultation purposes and to capitalise on initiatives arising from the 2014 floods, the project has required a coherent vision from an early stage. This is why the channel option (as the most likely to be taken forward) has been progressed more quickly than the other Strategy options. The scope for the appraisal and the presentation of the project to the public must carefully address the fact that despite the stage of development of this option, the design has not yet been undertaken and is subject to change during the next stages.

Scott Lawrance and Kerrie Pitson will provide Commercial Management advice, to develop the Commercial and Procurement Strategy alongside the appraisal stages leading up to OGC Gateway 2 / EA Gateway 1. Scott Lawrance, Procurement Manager, will work with Infrastructure UK to take the Environment Agency and Programme Partners through the IUK Procurement RouteMap. This will help inform the future commercial approach to ensure a value driven approach to delivering the outcomes required and lessons learnt from the River Thames Scheme and the TEP1 project.

Our approach will make use of the most appropriate elements of the Government Construction Strategy and Environment Agency's Sustainable Engineering Procurement Strategy 2011 to 2020. The key elements to this approach include:

- 1) Focus on outcomes (incl. outcome focused scopes and design & build where appropriate);
- 2) Appropriate risk identification, and risk allocation within the supply chain.

Integrated Project Insurance and Project Bank Accounts will also be considered at key stages of the project.

**The information presented below summarises the approach being taken for each of the key contracts being progressed in the delivery of this scheme:**

Stage 1: Approach - Direct awards

#### **BLACK AND VEATCH (B&V)**

Award date: March 2013

Contract type/option: PSC Option C

Original value: £23k

Approved CEs: £135k

A directly awarded NEECA2 contract was originally set up with B&V for the Initial Assessment work (under the project entitled the Western Conveyance Channel Review), which at the time was unlikely to exceed £50k. This contract has had to be extended a number of times due to the rapid set-up of the Oxford project following the winter 2014 floods and need to keep the project running rather than being held up by the WEM procurement timescales and new consultants getting up to speed. Several CEs have been agreed at a high level (approval to

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retain B&V under NEECA2 legacy contract up to OGC GW1 has been approved by Mike Moylan and Brian Francis) and take the target sum to £158k. This has enabled them to develop our understanding of the preferred option through a considerable amount of modelling work, and will allow them to input to the Form A for LPRG and work on the SOC, pending the award of a full appraisal consultancy contract under the WEM framework.

#### **TURNER & TOWNSEND (T&T)**

Award date: 28th April 2014  
Contract type/option: PSC Option E  
Original value: £24k  
Approved CEs: approx. £35k

T&T were appointed to work on a 12 week high level cost review. The team agreed to the direct allocation due to the short duration of the piece of work and the suitability of their staff with experience in construction costing.

A competitive tender using the NCMF Framework (T & T and EC Harris) was initiated shortly afterwards for the post of Project Planner from 20th May to 30th September 2014, but due to the EC Harris bid being non-compliant on staffing, T & T were awarded the contract as a CE on their existing contract following clarifications of costs / scope submitted.

A further CE was awarded for amendments to the cost report not originally foreseen, due to updates from B&V's initial assessment work.

A further CE is currently being awarded for the interim period of the commencement of the appraisal contract and the retendering of the NCMF. An update to the Scope has been issued to T&T to reflect the changes to the project and fully detail the requirements moving forward into the next stage of the project. Once the new framework is in place, ongoing cost management and programme support will be procured via a tender exercise.

#### **FUGRO**

Framework: NSIF3  
Award date: 19th June 2014  
Contract type/option: Option A ICE for Ground Investigations 2nd Ed.  
Original value: £1,942  
Approved CEs: £0k

Fugro were engaged as a direct allocation due to the low value of the contract, to review all the GI information within the site to ascertain if the gravels removed from the construction works had any commercial value, and this work (now complete) contributed to the rise in costs outlined above.

#### **CALLSAFE SERVICES**

Award date: October 2014  
Contract type/option: Option E recharge  
Original value: Approx. £35k  
Approved CEs: £0k

CDM-C services for the outline design stage have been procured via our in-house suppliers and will be utilised at key points in the decision-making and design process.

Stage 2: Approach - Competitive tenders

#### **APPRAISAL CONSULTANT (HALCROW)**

Framework: WEM Lot 3  
Award date: April 2015

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Contract type/option: PSC Option C  
Estimated value: £1-3m

The next stage of the appraisal (up to submission of the outline business case) is to be let under the WEM framework. Discussions were held with the project team, Procurement staff and members of LPRG to agree the preferred Lot, and after considering Lot 4, it was agreed that a Lot 3 supplier would be best placed to undertake this work. Reasons given include:

- a number of existing large appraisal contracts already awarded under Lot 4;
- need to review higher level strategic options;
- environmental and political issues (including the possibility of a public enquiry);
- approvals to be sought via treasury;
- this stage of appraisal more naturally falls into the services set out in Lot 3.

There was an eight week tender period (plus an additional 2 weeks over the Christmas period) to ensure suppliers had enough time to assess the tender information and develop robust proposals. Tenders were dispatched in mid-November 2014 with a site visit for tenderers held during the w/c 8th Dec.

Following the tender returns and the first round of review, evaluation and scoring, face to face meetings were held with each of the suppliers in order for them to answer the first round of clarification questions. Following these and a second round of clarification questions and scoring Halcrow were selected as the preferred bidder.

The specialist work required to evaluate the environmental and recreational benefits has currently been subject to a National pilot scheme undertaken by Cascade on 4 projects. (As Cascade cannot be nominated by the EA to undertake the work for contractual reasons) NEAS provided a suitable outcome focused scope to be included in the appraisal tender to ensure the piloted methodology is followed.

It is envisaged that Consultants would subcontract this element if they did not have in house expertise. NEAS would ask a Pro forma question to evaluate their capabilities.

#### **COST CONSULTANT (TO BE CONFIRMED)**

Framework: NCMF  
Award date: August 2015  
Contract type/option: PSC Option C  
Estimated value: £500k

#### **ESE CONTRACTOR (TO BE CONFIRMED)**

Framework: WEM Lot 4  
Award date: May 2015  
Contract type/option: PSC Option C  
Estimated value: £50-100k

#### **GROUND INVESTIGATION (TO BE CONFIRMED)**

Framework: WEM Framework  
Award date: June 2015  
Contract type/option: Compensation Event  
Estimated value: £500k

#### **Stage 3: Approach - Design and Build**

The project team will look to employ the most appropriate procurement approach for the detailed design and construction works. A design and build approach may well be the most efficient delivery model for the channel improvements. A decision on post OBC / technical PAR packaging and delivery route (i.e. traditional or D&B) will be taken during the OBC / technical PAR process, when there is a greater understanding of the Scheme constraints and we have greater certainty over the outputs of the project appraisal.

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## 5. Project Specific Evaluation Criteria

OGC Gateway 2 / EA Gateway 1 - Form A and Project Appraisal - OBC / technical PAR

Key project specific questions will be drafted for suppliers. These questions will cover key areas of concern / risk for the Environment Agency and allow the tendering suppliers to demonstrate how their methodology and approach will address these risks, deliver best value and determine the optimum and multi-benefit approach to delivering the appraisal. The evaluation criteria against which tenders for project appraisal will be evaluated are:

- Methodology (including environmental, sustainability, health & safety and innovation)
- Staff

## 6. Number and names of suppliers proposed (including a detailed justification)

**See note above:** 3. Supplier Engagement - Lot allocation under the WEM Framework.

### WEM Lot 3

- Capita Symonds Ltd
- Halcrow Group Ltd
- Jackson Hyder
- Jacobs UK Ltd
- Mott MacDonald Ltd

### WEM Lot 4

- BAM Nuttall
- GBV joint venture
- JacksonHyder
- Team Van Oord
- VBA consortium

### NCMF

- T&T
  - EC Harris
- New framework due  
August 2015

Expressions of interest will be issued in line with the procurement approach listed above. The response to these expressions of interest will then dictate the number of suppliers who wish to bid. It is envisaged that there will be significant interest in this Scheme.

## 7. Future Procurement Strategy Review Dates (outline):

Will be reviewed quarterly as a minimum, including at the below dates;  
December 2016 - before submission of OBC  
2017 - before submission of detailed design

## 8. Related Projects

### - River Thames Scheme Capacity Improvements and Flood Channel, PAR Production.

- Individual Property Level Protection (PLP): completion of the property protection measures for properties at residual risk of flooding after construction of the channel works and weir improvement works.
- Major Incident Planning: the development of a Major Flood Plan, scoping locations of temporary defences and visualisation model datasets.
- Ecological Surveys: to provide habitats and species baseline information, which will be used to inform required mitigation in relation to WFD and the Habitat Regulations Assessment.

- TEP1 - Boston Barrier - Derby Scheme - Humber - Medmerry - Chichester

## 9. Consultees:

Richard Harding (Project Executive), Emily Williamson (Project Manager), Andy Wilson (Assistant Project Manager), Peter Collins (Senior User), Penny Burt (NEAS), Holly Foreman (Communications Lead), Nick Read (FCRM Advisor), Emma Formoy (Funding and Benefits Realisation Manager), Tristan Bassett (CSM), Scott Lawrance (Procurement Manager - (FCRM & Major Projects team)).

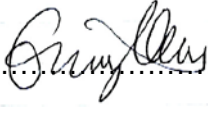
customer service line  
03708 506 506

incident hotline  
0800 80 70 60

floodline  
0845 988 1188

[www.environment-agency.gov.uk](http://www.environment-agency.gov.uk)

**10. Agreed and Signed:**

Emily Betts  
Project Manager.....  ..... Date.....

Kerrie Pitson  
One Commercial Lead.....Date.....

Richard Harding  
Project Executive..... Date .....

Scott Lawrance  
Procurement Manager.....Date.....

KP V12 08 April 2015